

Small Business Relief Grant Program Guidelines



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Applications are due no later than Thursday, August 6, 2020 at 5:00 p.m.

PROGRAM OVERVIEW

The City of Lemon Grove Small Business Relief Grant Program will provide one-time funding to small businesses located within the City that need financial assistance to aid in their recovery from the temporary loss of revenue due to the COVID-19 public health emergency.

The Lemon Grove Mayor and City Council has allocated \$650,000 of Federal Coronavirus Relief Funds, made available through the Coronavirus Aid, Relief and Economic Security Act – CRF (CARES Act) funds distributed to the City from the County of San Diego and the State of California. The purpose for this program is to provide grants to small businesses to provide support to address the effect of the COVID-19 pandemic on their operations.

Please carefully review these guidelines as successful applicants must submit complete applications before the deadline, provide documentation that they meet the eligibility requirements, agree to the terms and conditions, and explain how the grant monies would be used toward necessary COVID-19 related business expenses.

Awards will be made on a first come, first served basis with "first come" defined as the date and time the completed application is received by the City of Lemon Grove. Once applications have been approved, all documentation of eligible expenses must be submitted to the City by August 6, 2020 by 5 p.m. in order to receive reimbursement.

ELIGIBILITY

To be eligible to apply for a Small Business Relief Grant, a business must demonstrate the need for financial support due to business interruption caused by COVID-19 public health emergency. An Applicant will need to prove their business has been affected by COVID in **one** of the following ways:

- The business was deemed non-essential and was forced to shut down by the State's stay at home order or the San Diego County Guidelines; or
- Sales from the business are down more that 25 percent compared to the previous three months, previous to the stay at home order issued by the state on March 4, 2020; or.
- The business has had to lay off at least one of its employees (full or part time); or
- The business must have demonstrable financial impact stemming from COVID-19 response that precipitated the emergency declaration by Governor Gavin Newsom on March 4, 2020.
- One or more of the employees in the business have contracted COVID-19, while at work.

LEMON GROVE'S TERMS AND CONDITIONS

Applicants must meet the following minimum requirements to be considered for grant funding:

- The business must be a legal for-profit business located in a commercial or industrial space.
- Businesses must be located within the City of Lemon Grove boundaries with a valid business license and operate out of a physical location within the City of Lemon Grove limits. Physical location includes a 'brick and mortar' edifice, and other types of physical spaces that depend on foot traffic for business.
- Businesses must have had a valid business license prior to March 12, 2020, in good standing, meaning:
 - It must be current on its business license fees or in good standing on its payment plan;
 - o It must not have any existing municipal code violations.
- Only one (1) funding application may be submitted per business.
- Each business must have demonstrable financial impact stemming from COVID-19 response that precipitated the emergency declaration by Governor Gavin Newsom on March 4, 2020.
- Franchise business owners with no more than two (2) locations are eligible to apply.
- The business must have an active Lemon Grove business license for a minimum of six (6) months as of January 1, 2020.
- On March 1, the business must have had 20 or less full-time, or an equivalent combination of full and part time employees (two part-time employees equal one full-time employee), including the owner.
- The business must be in good standing with the City, meaning:
 - It must be current on its business license fees or in good standing on its payment plan;
 - It must not have any existing municipal code violations.
- The applicant must disclose whether they have received funding from the Paycheck Protection Program (PPP) or an Economic Injury Disaster Loan (EIDL). If a business received PPP or EIDL funds, it is still eligible to receive City grant funds; however, priority will be given to applicants that have not received funding through these programs.
- The business must follow the State's and/or County's re-opening guidance for their industry. https://www.lemongrove.ca.gov/home/showdocument?id=9041

- The business must submit an application with all required supporting documentation.
- Chain stores, home-based businesses, non-profit organizations, corporations, government organizations, school districts, and private community organizations are not eligible for a grant under this program.

ELIGIBLE EXPENSES

Grant funds may be used for the following expenses that were incurred or will be incurred between March 12, 2020 and September 14, 2020.

- Innovation to promote outdoor business to protect employee and public health.
- Payroll/employee retention or supporting employees, including but not limited to Workers Comp Insurance premium and Unemployment Insurance premium increases related to COVID-19, employee paid leave due to COVID-19 illness.
- Purchase of Personal Protective Equipment (PPE) to protect employee and public health and efforts to sanitize the business environment.
- Rent or mortgage payments (excluding property tax payments).
- Addressing temporary COVID-19 related restrictions on business activity.
- Increasing technology capacity to enable alternative work forms.
- Creating new marketing campaigns or business plans.
- Paying vendor invoices.
- Facility cleaning/restoration.
- Costs associated with additional training or virtual learning to implement COVID-19 safety measures.
- Expenses required to plan for a safe reopening such as expert assessments and/or to conduct research or market surveys.
- Other uses (if selected, a comment box will allow you to briefly describe what you will be using the funds for and the impact COVID-19 has had).

The list below provides examples of **ineligible** activities or costs covered:

- Expenses for the State share of Medicaid.
- Damages covered by insurance.
- Reimbursement to donors for donated items or services.
- Workforce bonuses other than hazard pay or overtime.
- Severance pay.
- Legal settlements.

GRANT AMOUNTS

 Funding for eligible businesses will be up to \$10,000. Businesses must demonstrate that all expenditures are consistent with the provisions of the CARES – CRF Act.

FUNDING PRIORITY

Qualified applications from these types of businesses will be given priority during the grant allocation process in the following order:

- 1. Retail
- 2. Restaurants & bars that have been closed in response to public health orders
- Personal service establishments, such as, hair salons and barber shops, nail salons, day spas, and small gyms/health clubs, auto business, medical/dental offices
- 4. Restaurants & bars that have maintained some level of operations between March 2020 and the application date
- 5. Businesses that do not fall within the categories above

Qualified applications will be given priority during the grant allocation process in the following order:

- A business who has NOT received any other federal assistance under the Coronavirus Air, Relief and Economic Security Act (CARES Act) programs such as an Economic Injury Disaster Loan (EIDL) or under the Paycheck Protection Program (PPP).
- 2. A business received an EIDL.
- 3. A business received assistance under the PPP.
- 4. A business received an EIDL and assistance under the PPP.

GRANT APPLICATION AND AWARD PROCESS

Application will be accepted via email or in person:

Application period opens: July 27, 2020 at 9:00 a.m.
Application period closes: August 6, 2020 at 5:00 p.m.

Late applications will not be accepted

- Submit the completed application, W-9, and documentation for eligible expenses by email to smallbusinessgrant@lemongrove.ca.gov or in person at City Hall: 3232 Main St, Lemon Grove, CA 91945 during business hours. City Hall is open Monday-Thursday 7 a.m. - 6 p.m.
- Awards will be made on a first come, first served basis with first come defined as the date and time the completed application is received by the City of Lemon Grove within the application period. In-person submissions will be date/time stamped when they are dropped off. Email submissions will be recorded as received on the date/time the email is received in the inbox of the smallbusinessgrant@lemongrove.ca.gov email address.
- Applicants must self-certify that the funds will be used only for expenses permitted under this program by signing the acknowledgement page.
- Once the initial application is approved, the grant funding will be distributed on a reimbursement basis. This means the grant recipient must submit documentation, such as invoices, credit card statements, or receipts, of eligible expenses before any cash will be released.
- The City will pay each grant award by check. The City will process up to two reimbursement requests (two checks) for each grant recipient, which together will total up to \$10,000.
- To expedite the processing of the grant payment, the City recommends submitting documentation of eligible expenses with the grant application if the business is applying to use the funds for costs that have already been incurred.
- If the eligible expenses have not been incurred at the time the application is submitted, the recipient must provide documentation of the expenses to the City by September 14, 2020 at 5 p.m. in order to receive reimbursement.
- The City may inspect the business premises to verify the grant monies are being used in accordance with the program requirements. If requested by the City, the grant recipient will provide the City with any additional information or documentation related to the eligible expenses the grant is funding.

DOCUMENTATION REQUIREMENTS

A complete application must include:

- Application form
- Signed Acknowledgement
- W-9 form for the business
- If seeking reimbursement immediately, receipts or other documentation of incurred expenses

Once an application has been approved, the business must provide the following by September 14, 2020 at 5 p.m.:

• Documentation of incurred expenses, if not already provided with application submission

CONTACT

If you have questions about the Small Business Relief Grant Program, please contact:

EMON ROVE

City of Lemon Grove

City Manager's Office (619) 825-3819 <u>smallbusinessgrant@lemongrove.ca.gov</u> lemongrove.ca.gov/smallbusinessreliefgrant